

DEC 30 '11 -11 32 AM

LAW OFFICES OF
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December 30, 2011

SURFACE TRANSPORTATION BOARD

600 BALTIMORE AVENUE SUITE 301
TOWSON, MARYLAND 21204-4022
(410) 296-2250 • (202) 466-6532
FAX (410) 332-0885

Ms. Cynthia F. Brown
Chief of the Section of Administration, Office of Proceedings
Surface Transportation Board
395 E Street, S.W.
Washington, D.C. 20423

Dear Ms. Brown,

I have enclosed for e-filing the document described below, to be recorded pursuant to 49 U.S.C. § 11301.

The document is a Memorandum of Security Agreement, a primary document, dated as of December 30, 2011. We request that this document be given the next available recordation number.

The names and addresses of the parties to the Memorandum of Security Agreement are:

Secured Party

Banc of America Leasing and Capital, LLC
2059 Northlake Parkway, 3 North
Tucker, GA 30084

Co-Debtors

Rick Franklin Corporation
110 Industrial Way
Lebanon, OR 97355

Albany & Eastern Railroad Company
110 Industrial Way
Lebanon, OR 97355

A description of the equipment covered by the Memorandum of Security Agreement consists of two GP38 locomotives numbered AERC 2001 and 2002.

Ms. Cynthia T Brown
December 30, 2011
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A fee of \$41 00 is enclosed Please return one copy by email to

Melanie B. Yasbin
600 Baltimore Avenue, Suite 301
Towson, MD 21204
Lou_Gitomer@verizon.net

A short summary of the document to appear in the index follows a Memorandum of Security Agreement between Banc of America Leasing & Capital, LLC, 2059 Northlake Parkway, Tucker, 3 North, GA 30084, as secured party, and Rick Franklin Corporation and Albany & Eastern Railroad Company, 110 Industrial Way, Lebanon, OR 97355, as co-debtors, covering two GP38 locomotives numbered AERC 2001 and 2002

Very Truly Yours,

A handwritten signature in black ink, appearing to read 'MBY', is written over the typed name.

Melanie B. Yasbin

Enclosure

RECORDATION NO. 30054 FILED

DEC 30 '11 -11 32 AM

SURFACE TRANSPORTATION BOARD

MEMORANDUM OF SECURITY AGREEMENT

Dated as of Dec. 30, 2011

between

BANC OF AMERICA LEASING & CAPITAL, LLC,
as Secured Party

and

Rick Franklin Corporation and Albany & Eastern Railroad Company,
as Co-Debtors

Filed with the Surface Transportation Board pursuant to
49 U.S.C. § 11301 on Dec. 30, 2011, at _____.M
Recordation Number _____

MEMORANDUM OF SECURITY AGREEMENT

THIS MEMORANDUM OF SECURITY AGREEMENT dated as of Dec 30, 2011 is made by and between BANC OF AMERICA LEASING & CAPITAL, LLC, together with its successors and assigns ("Secured Party"), and Rick Franklin Corporation and Albany & Eastern Railroad Company, and its successors and permitted assigns ("Co-Debtors").

WITNESSETH

1. Pursuant to an Additional Security Agreement dated as of 12-8-2011, and Rail Equipment Security Note No 23347-70000 executed pursuant thereto dated as of December 8, 2011 (collectively, the "Security Agreement"), Debtor has pledged to Secured Party a first priority security interest in (2) two GP38 locomotives numbered AERC 2001 and 2002 (the "Locomotives")

2. The Security Agreement shall be effective as of the date first set forth hereinabove and Debtor's use of the Locomotives shall be subject to the terms and conditions as set forth in the Security Agreement.

3. This Memorandum of Security Agreement may be executed in duplicate originals and any number of counterparts and by different parties in separate counterparts, each of which shall be deemed to be an original and all of which taken together shall constitute one and the same instrument.

[Signature page follows]

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be signed and sealed by their respective corporate officers as of the date and year first above written

Secured Party:

BANC OF AMERICA LEASING &
CAPITAL, LLC

By: [Signature]
Name _____
Title _____

STATE OF GA)
) ss.
COUNTY OF CLAYTON)

I HEREBY CERTIFY, that on this 28 day of Dec, 2011, before me, the undersigned, a Notary Public of the State of Georgia, personally appeared CAROL JONES, who acknowledged himself/herself to be the SR. Vice Pres. of BANC OF AMERICA LEASING & CAPITAL, LLC, known (or satisfactorily proven), to be the person whose name is subscribed to the within instrument, and acknowledged that he executed the same for the purposes therein contained as the duly authorized SR. Vice Pres of said company by signing the name of the company by himself/herself as the SR. Vice Pres.

AS WITNESS my hand and notarial seal

[Signature]

Notary Public

O'LAMESH WHITE
NOTARY PUBLIC
Clayton County - State of Georgia
My Comm. Expires Nov. 1, 2012

My commission expires: 11-1-2012

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be signed and sealed by their respective corporate officers as of the date and year first above written

Debtors:

Rick Franklin Corporation

By: [Signature]

Name: Rick Franklin

Title: President

Albany & Eastern Railroad Company

By: [Signature]

Name: Rick Franklin

Title: President

STATE OF OREGON)
) ss.
COUNTY OF CLATSOP)

I HEREBY CERTIFY, that on this 21st day of DECEMBER, 2011, before me, the undersigned, a Notary Public of the State of OREGON, personally appeared Rick Franklin, who acknowledged himself/herself to be the President of Albany & Eastern Railroad Company, known (or satisfactorily proven), to be the person whose name is subscribed to the within instrument, and acknowledged that he executed the same for the purposes therein contained as the duly authorized President of said company by signing the name of the company by himself/herself as the President.

AS WITNESS my hand and notarial seal.

[Signature]
Notary Public

My commission expires: JULY 12, 2013

